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PP RUEHWEB

DE RUEHLB #1081/01 2751031
ZNY CCCCC ZZH
P 021031Z OCT 09
FM AMEMBASSY BEIRUT
TO RUEHC/SECSTATE WASHDC PRIORITY 5809
INFO RUEHEG/AMEMBASSY CAIRO 1389
RUEHDM/AMEMBASSY DAMASCUS 3789
RUEHFR/AMEMBASSY PARIS 3636
RUEHRH/AMEMBASSY RIYADH 3507
RUEHTV/AMEMBASSY TEL AVIV 1442
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RHMCSUU/CDR USCENCOM MACDILL AFB FL
RHEHAAA/NSC WASHDC
RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L BEIRUT 001081

SIPDIS

E.O. 12958: DECL: 10/01/2019
TAGS: [PGOV](#) [PREL](#) [KDEM](#) [LE](#) [SY](#) [SA](#) [IR](#) [EG](#)
SUBJECT: ATMOSPHERE POSITIVE, CABINET NEGOTIATIONS STILL
UNDERWAY

Classified By: Ambassador Michele J. Sison for reasons 1.4 (b)
and (d).

SUMMARY

¶1. (C) Prime Minister-designate Saad Hariri's conclusion of the second round of consultations on October 1 was accompanied by positive expectations that a cabinet could be formed soon. However, in separate meetings the same day, caretaker Prime Minister Fouad Siniora, caretaker Finance Minister Mohammad Chatah, and Druze leader Walid Jumblatt downplayed expectations as to timing. The atmosphere is positive, but the majority should not rush to concessions, said Siniora. Chatah was encouraged by the opposition's public positions, although he urged that issues requiring consensus move to the National Dialogue, leaving the cabinet to address routine issues such as reform of the electricity and water sectors. All three interlocutors advised against the U.S. being perceived as taking a direct role in the cabinet formation process, citing possible harm to both the majority coalition and the U.S. Instead, they suggested the U.S. continue to urge outside players, particularly Syria, not to block the cabinet formation process. End summary.

CONSULTATIONS POSITIVE,
BUT AOUN "PLAYING A GAME"

¶2. (C) "After the second round, third round, and fourth round of consultations something might be achieved," a beleaguered caretaker PM Siniora said at the open of a meeting with the Ambassador and poloff on October 1. "Michel Aoun is playing a game," he added, and blamed the Christian leader's opposition ally, Hizballah, for using Aoun's demands in the Lebanese cabinet formation process to stall for time until other regional matters, especially related to Iran, became clearer. Chatah agreed with the assessment that Aoun had staked out a bargaining position by publicly requesting the finance ministry portfolio be given to his bloc. Both men emphasized that while the atmosphere to form a cabinet seemed positive -- as PM-designate Saad Hariri attested in a press statement upon the conclusion of consultations later the same day -- the difficulty would still come in the distribution of the portfolios. The opposition "cannot have the finance ministry," Chatah explained, because the entire government would then become hostage to Hizballah's strategic interests. (Note: Most government decisions pass through the finance ministry before being implemented. End note.) Siniora in particular believed that it was paramount to be patient with the government formation process and that the majority should

not rush to give concessions. The situation was not optimal, he continued, but "giving everything away would be worse."

¶3. (C) Druze leader Walid Jumblatt told us October 1 that he was sticking to the 15-10-5 cabinet formula (15 ministers for the majority, ten ministers for the opposition, and five ministers for President Sleiman). He claimed he would not support a majority government, if proposed, and was displeased with recent statements from Lebanese Forces leader Samir Geagea that he felt would provoke a negative reaction from the opposition. Both Siniora and Jumblatt expressed discomfort with parliament opening as scheduled on October 20 if a cabinet is not yet formed. Jumblatt said he was on the same wavelength as other members of the majority parliamentary bloc that parliament could not function properly without a cabinet in place.

CAN A CABINET ADDRESS STRATEGIC ISSUES?

¶4. (C) Chatah complained of the lack of basic governance and urged an accommodation be reached with Hizballah to move sensitive issues requiring consensus -- such as Hizballah security matters, relations with Syria and Iran, and UN Security Council resolutions -- out of the cabinet's purview and into either the National Dialogue or some other body. Chatah confided that, unfortunately, the majority would have to accept Hizballah's power over national issues as a reality. A feisty Jumblatt praised God that he was "free" of his former March 14 coalition allies. He then described himself in the next breath as still supporting the majority while staking out a position for himself in the middle of the political spectrum. He admitted, however, that the country

could not sustain itself without a government. He decried leaving the Lebanese people to wait and see what would come out of the cabinet formation process, while important problems, such as electricity, water and the economy at large went unresolved. Jumblatt echoed Chatah, urging that a cabinet be formed to handle these basic governance issues while "big issues would be solved either through national dialogue or war."

¶5. (C) Chatah also said he was developing an idea, separate from the required ministerial statement by the cabinet, whereby all of the political parties would sign on to some sort of "statement of principles" as part of the national unity government. This statement, he explained, would commit the parties to "insulate Lebanon from other regional matters." He argued that even Hizballah might be willing to sign such an agreement because it would allow it to assert that it is a "uniquely Lebanese entity" that would not draw Lebanon into other issues, such as Iran-Israel tension. Chatah emphasized he had not discussed the idea with anyone, but planned to raise it with Nassib Lahoud, whom President Sleiman is relying upon as an advisor. He believed the president could -- and should -- spearhead this effort.

U.S. SHOULD KEEP A LOW PROFILE

¶6. (C) All three interlocutors advised that the U.S. should not be perceived as involving itself directly in the cabinet formation process. Siniora said the perception of interference would harm both the majority coalition and the United States. Jumblatt observed that if the U.S. wanted to help, it should lean on Syria and Egypt to allow the process to move forward. Saudi Arabia, he said, was not the problem.

Our interlocutors' consensus was that the anticipated upcoming meeting between Saudi King Abdullah bin Abdul Aziz and Syrian President Bashar al-Asad could help the process. Chatah also perceived Saudi Arabia was planning to de-link its Lebanon and Syria policies, which he opined would not be at all bad. More helpful, however, would be for Syria to take moderate positions vis-a-vis Lebanon, Chatah concluded.

¶7. (C) COMMENT: The positive buzz surrounding PM-designate Hariri's discussion with President Sleiman following the

conclusion of formal consultations is being read locally as a sign that the cabinet formation logjam will break soon. The Lebanese political class is also taking its cues from warming Syrian-Saudi relations. However, as Siniora and others suggest, detailed discussions about portfolios remain the key challenge in achieving progress.

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